



United Arab Emirates



Overview

The United Arab Emirates (UAE) has been America's top U.S. export market in the Middle East and North Africa (MENA) region for 12 years. In 2020, despite the pandemic, U.S. goods exports to the UAE reached \$14.76 billion. The seven federated emirates that constitute the UAE have become regional hubs for over 1,500 U.S. companies doing business in the region and beyond.

Dubai is hosting Expo 2020 – the world's fair – from October 1, 2021 to March 31, 2022. This is the first Expo to be held in the Middle East, Africa or South Asia. It is expected to draw more than 25 million visitors, showcasing the UAE's commitment to sustainability, mobility, and opportunity. The event will take place in the figurative shadow of Burj Khalifa, the tallest building in the world.

The UAE is a leader in innovation and economic diversification. It is the first Arab country to undertake a mission to Mars, launched in July 2020, and the space program is on track to launch an uncrewed mission to the Moon in 2024. The UAE is also a regional leader in renewable energy, with significant research taking place at Masdar in Abu Dhabi, the emirate that serves as home for the International Renewable Energy Agency (IRENA).

Jebel Ali is the world's ninth busiest port, the largest man-made harbor, and the largest & busiest port in the Middle East. Jebel Ali is complemented by Khalifa Port, a state-of-the-art gateway to Abu Dhabi that handles all of that emirate's container traffic. The UAE has created more than 45 Free Trade Zones and Special Economic Zones, which offer such business incentives as 100 percent foreign ownership, 100 percent import and export tax exemptions, 100 percent repatriation of capital and profits, and corporate tax exemptions for up to 50 years.

The Dubai International Financial Centre (DIFC), a Special Economic Zone, is a financial hub for the Middle East, Africa and South Asia markets. The DIFC has its own independent, international regulator and judicial system, common law framework, and global financial exchange. Just down the road is another financial powerhouse, the Abu Dhabi Investment Authority (ADIA), one of the largest sovereign wealth funds in the world.

On the cultural front, the Louvre Abu Dhabi, the first of its kind, has become the largest art museum in the Arabian Peninsula. The museum is part of a \$27 billion tourist and cultural development for Saadiyat Island, a complex which includes other museums, including the Guggenheim Abu Dhabi and the Zayed National Museum.

Also on the cultural front, the UAE created twofour54 in 2008 to put Abu Dhabi on the map as a capital of media content creation. Today, twofour54 has become a community of more than 600 businesses with diverse media backgrounds, from production and gaming, to advertising and digital media.

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Sectoral Snapshot

Promoting education and literacy is one of the UAE's top priorities. The country's 2020 federal budget allocated \$2.8 billion to higher education and university programs — roughly 15 percent of the UAE's total budget.

The federal government's commitment to the healthcare sector is a key economic driver, with public spending constituting more than two-thirds of overall healthcare expenditures. According to *Business Monitor International*, healthcare spending is expected to account for over five percent of the country's GDP by 2029. For example, the UAE is placing a high priority on digital contact tracing, digital medicine, telemedicine, and virtual medical services. The federal government has also highlighted plans to build national capabilities to fight future pandemics, including efforts to develop vaccines/medicines.

Gulfood, which bills itself as the world's largest annual food and beverage trade exhibition, will take place in Dubai on February 13 – 17, 2022. According to the USDA Foreign Agricultural Service (FAS), the UAE imports 80 – 90 percent of the food that it consumes. A 2019 FAS report notes that the UAE's weather conditions and limited water resources mean that the country relies exclusively on imports and storage of raw commodities to meet consumer demand for grain and feed. Such demand is on the rise due to population growth, a surge in tourism, preparations for Expo 2020, and a food security initiative that focuses on improved food processing and grain storage capabilities.

Agri-investment is a high priority in the UAE, including hydroponics, fish farms, greenhouses, plant growth farms (hybrid seeds and drip irrigation), and innovative farms for breeding calves locally. Diverse crops are growing in the UAE thanks to high tech and government subsidies that promote cultivation, offer fertilizers at a discount, provide veterinary services, and the like.

The UAE is experiencing significant growth in the information & communications technology (ICT) sector. Its free trade zones promote ICT in general and such specialized sub-sectors as cloud computing, cybersecurity, artificial intelligence, smart cities, 5G, and the Internet of Things. Consistent with the UAE's AI Vision 2031 plan, proposed expenditures in the ICT sector during the 2020 – 2023 period will total \$8.2 billion.

Fast Facts

Population: 9.89 million | GDP: \$422.22 billion | GDP Per Capita: \$41,420.50 | Literacy Rate: 93.2% | CPI: 106.49 | FDI: 50,600 (AED Million) | HDI: 0.890 | Languages: Arabic (official), English | Inflation rate: -2.08% | Food Inflation Rate: -2.68 % | Capital: Abu Dhabi | Largest City: Dubai | Demonym: Emirati | Currency Exchange Rate: 1 AED= 0.27 USD



State of Kuwait



Overview

The State of Kuwait's strategic location and massive oil reserves make it one of the world's richest countries, averaging a GDP per capita of approximately \$39,800 from 1995-2020. Kuwait is considered the fifth wealthiest nation globally, according to the World Bank. The Kuwaiti Dinar, one of the world's strongest and highest valued currencies, is pegged to the U.S. Dollar. The Dinar's strength translates into cheaper imports, leaving more discretionary income in the pockets of Kuwait's consumers, some of the world's most prodigious shoppers. The country is ranked nineteenth in the world in buying power, according to the World Bank, with a purchasing power index of around 86 and a gross national income per capita of \$58,930 in 2019.

Most of Kuwait's wealth is derived from petroleum, but the country is undergoing a historic transition from a hydrocarbons-based economy to a knowledge-based economy. With that in mind, Kuwaiti leaders in government and the private sector are looking for ways to build capacity among the country's youth, who make up approximately 70 percent of the Kuwaiti population. Kuwait is home to many foreign nationals, including Americans, who appreciate the safety, stability, and convenience that this Arabian Gulf nation offers.

Kuwait's Parliament is very lively, taking a keen interest in the well-being of the nation's citizens. With that in mind, the Government of Kuwait is working hard to upgrade public institutions designed to provide services to Kuwaitis and to mitigate the impact of low oil prices through public finance reforms, adoption of non-oil projects, and growth in the private sector.

Such reforms are at the heart of Vision 2035 – “New Kuwait” – which is intended to: Restore Kuwait's position as a financial and commercial hub; enhance productivity by strengthening the nation's institutions; expand Kuwait's infrastructure and, with the support of the business community, provide some balance in human resource development. (E.g.- Encourage more Kuwaitis to work in the private sector instead of the government.)

There is a shortage of high-quality healthcare facilities, for example, and this sector is a priority of the national development plan. The Government of Kuwait is also focused on improving the nation's IT/cybersecurity capabilities and enhancing efficiencies through digitization of the oil & gas sector. In the words of one Kuwaiti denizen, “Any U.S. business that can provide solutions to the government and address the needs of Kuwait's citizens will have a golden opportunity in Kuwait.”

Sectoral Snapshot

Last year, despite the pandemic, U.S. goods exports to Kuwait reached \$2.24 billion, positioning Kuwait as the sixth largest market for U.S. products in the Middle East and North Africa (MENA) region.

American brands are warmly welcomed because Kuwaitis are very familiar with the U.S. marketplace and culture. The Kuwaiti people have a well-established reputation for being price-conscious, but they also appreciate U.S. companies' deep commitment to quality. Kuwaiti shoppers, and the malls in which they shop, are legendary throughout the Arab world.

State of Kuwait

Across Kuwait, healthcare is a top priority, with plans to grow this sector by 20 percent by 2023. As part of Kuwait's \$104 billion national development plan, the Ministry of Health and the Ministry of Public Works have announced a \$4.42 billion initiative to replace or expand nine hospitals within the next decade. According to Alpen Capital, a leading investment bank in the region, healthcare expenditures in Kuwait are projected to reach \$5.8 billion in 2022. Kuwait is interested in teaching hospitals that would provide medical education and training to current and future health professionals. Opportunities for U.S. companies in that sector, according to the U.S. Department of Commerce, include a broad range of healthcare-oriented products and services, including medical equipment and supplies, hospital management, and various specialized applications.

Kuwait is spending heavily on its educational infrastructure, which should be important to U.S. companies in construction/engineering/architecture/design. The government has spent \$1.14 billion on facilities in recent months, and the budget allocation for educational infrastructure for the current fiscal year is around \$7 billion.

The United States is the top destination for Kuwaiti students studying abroad, and there are over 12,000 Kuwaiti undergraduate students in the USA, according to Hon. Alina Romanowski, the U.S. Ambassador to Kuwait. Approximately ten percent of Kuwaiti high school graduates continue their education at U.S. colleges and universities. "These students are part of a great tradition of scholarship and educational cooperation between our two countries," Ambassador Romanowski said in a recent interview carried by the Kuwait News Agency (KUNA).

Despite Kuwait's relatively small size, it is the third-largest market in the Arabian Gulf for U.S. food products, importing \$241 million in these products in 2019, according to U.S. Government figures. Kuwait imports over 90 percent of its food, opening the door to U.S. companies offering consumer-ready products (snack foods, prepared foods, etc.), as well as dairy, poultry, and beef. Kuwait is increasingly familiar with Nebraska goods, according to the Nebraska Department of Economic Development, recording import growth from the Cornhusker State of 267 percent from 2014 to 2018. Food imports led the way, with Nebraska beef growing 517 percent during this period and Nebraska soy sales increasing by 455 percent.

As the country's leadership prepares its next steps for "New Kuwait," priority is being given to build-operate-transfer (B.O.T.) projects (like electricity generation), ICT equipment (especially for cybersecurity and industrial digitalization), smart cities – including city management – run by artificial intelligence, and environmental remediation.

Fast Facts

Population: 4.34 million | GDP: \$140.16 billion | GDP Per Capita: \$ 32,702.25 | Literacy Rate: 95.7% | CPI: 119.00 | Inflation Rate: 1.1% | Food Inflation Rate: 10.75% | FDI: 109 million KD | HDI: 0.806 | Languages: Arabic (official), English | Demonym: Kuwaiti | Capital City: Kuwait City | Currency Exchange Rate: 1 Kuwaiti Dinar = 3.33 USD



Hashemite Kingdom of Jordan



Overview

Jordan was the first country in the Arab world to sign a Free Trade Agreement (FTA) with the United States, substantially increasing U.S. exports to that nation over the past two decades. In the year before the FTA entered into force, in 2001, U.S. goods exports to Jordan totaled \$439 million. Last year, despite the pandemic, U.S. goods exports to Jordan reached \$1.33 billion, positioning Jordan as the seventh largest market for U.S. products in the Middle East and North Africa (MENA) region.

Jordan has relatively few natural resources, which translates into two things: The economy relies heavily on imports, and Jordan has been successful because of that nation's focus on innovative sectors that provide added value to the region and beyond.

Jordan's top imports include: Mineral fuels and crude oil; industrial machinery; transportation equipment (including autos); food and agricultural products; textiles; manufactured goods (rubber products, paper, cardboard, yarns, chemicals); and clothing/footwear.

Value-added sectors of special note in Jordan include information & communications technology (ICT), renewable energy, pharmaceuticals, robotics, finance, healthcare, and tourism. Jordan's tourism destinations are world-class, including such historic sites as Petra, the Dead Sea, Jerash, and Wadi Rum.

Sectoral Snapshot

Information & Communications Technology (ICT) is the fastest-growing sector in Jordan's economy, accounting for more than 80,000 jobs and comprising about 12 percent of the nation's GDP. The INTAJ initiative, begun two decades ago, has helped to achieve stellar results: Attracting an average of \$150 million in annual ICT investment and, as a multiplier, generating billions of dollars each year for the Jordanian economy.

Today, INTAJ is promoting the use of ICT in other sectors – such as finance, insurance, health, and education – in order to leverage new technologies. Jordan's economy now boasts more than 600 companies operating in telecoms, IT, business outsourcing, and content development (including gaming). According to the American Chamber of Commerce in Jordan, over 80 percent of Arabic content on the Internet is of Jordanian origin.

Starting with the REACH Initiative in 1999 – and the subsequent initiative, REACH2025 – Jordan has invested in the nation's highly educated and skilled ICT workforce, as evidenced by the establishment in 2019 of the Ministry of Digital Economy and Entrepreneurship. As a result, Jordan has created what may be the best entrepreneurial ecosystem in the Arab world, driven by such entities as Oasis 500, the Startup Council, EDAMA, Luminus ShamalStart, Endeavor, the Jordan Entrepreneurship & Innovation Association (JEIA), AmCham Jordan, the Business Development Centre (BDC), and HASSAD (focused on agritech and agrifood).

Hashemite Kingdom of Jordan

Against this backdrop, Jordan has climbed in the Global Entrepreneurship Index from 72nd to 49th in only four years and, according to a World Bank survey, “Jordan outperforms the Arab region in product innovation, technology absorption, competition, startup skills, and cultural support indicators.” In 2019, the World Economic Forum included 27 Jordanian startups among the top 100 in the Arab world.

Healthcare is increasingly important in Jordan, especially medical tourism, a field in which Jordan is one of the top destinations in the region. Opportunities also abound in e-health, with pilot programs in multiple hospitals targeting electronic health solutions. Jordan is a regional leader in medical innovation, and the medical device market is projected to grow to \$368.6 million by next year.

Jordan’s population has doubled in recent years, in part because of the influx of displaced persons from neighboring countries. As a result, demand for efficient power has increased significantly, creating opportunities in power generation, natural gas, nuclear, and oil shale development. Renewable energy is especially attractive, including solar and wind, which are abundant natural resources in Jordan.

Agriculture has always been a mainstay of the Jordanian economy, currently employing 15 percent of the labor force. Nevertheless, Jordan imports most of its food, creating an opportunity for import substitution in this sector. Top U.S. agricultural exports to that nation include rice, processed and canned food, vegetable oil, almonds, and poultry, and Jordan is improving market access for U.S. beef, wheat, and corn.

Fresh water is not plentiful in Jordan, and the agricultural sector consumes more than half of the country’s water resources. So, Jordan welcomes water conservation initiatives and innovations in agriculture with a view toward long-term sustainability.

Jordan is one of the best educated countries in the region, and demand for higher education is soaring as that country’s population booms. With this in mind, the U.S. Embassy in Amman helped to establish the Jordanian - U.S. University Cooperation Network (UCN) to nurture research partnerships between American and Jordanian institutions of higher education.

Fast Facts

Population: 10.1 million | GDP: \$43.7 billion | GDP per capita: \$3,241.66 | Inflation rate: 0.33% | Food Inflation Rate: 1% | CPI: 102.40 | Capital: Amman | Language: Arabic (official), English (widely understood) | Demonym: Jordanian | Literacy rate: 97.7% | FDI: 110.90 JOD Million | HDI: 0.729 (2019) | Currency Exchange Rate: 1 JOD = 1.41 USD
